

# *Commonwealth of Virginia*

## *Impact of Sequestration on Health and Human Resources Agencies*

Presentation to  
HHR Subcommittee  
Senate Finance

September 19, 2013

# *Commonwealth of Virginia*

## *Department of Behavioral Health and Developmental Services*

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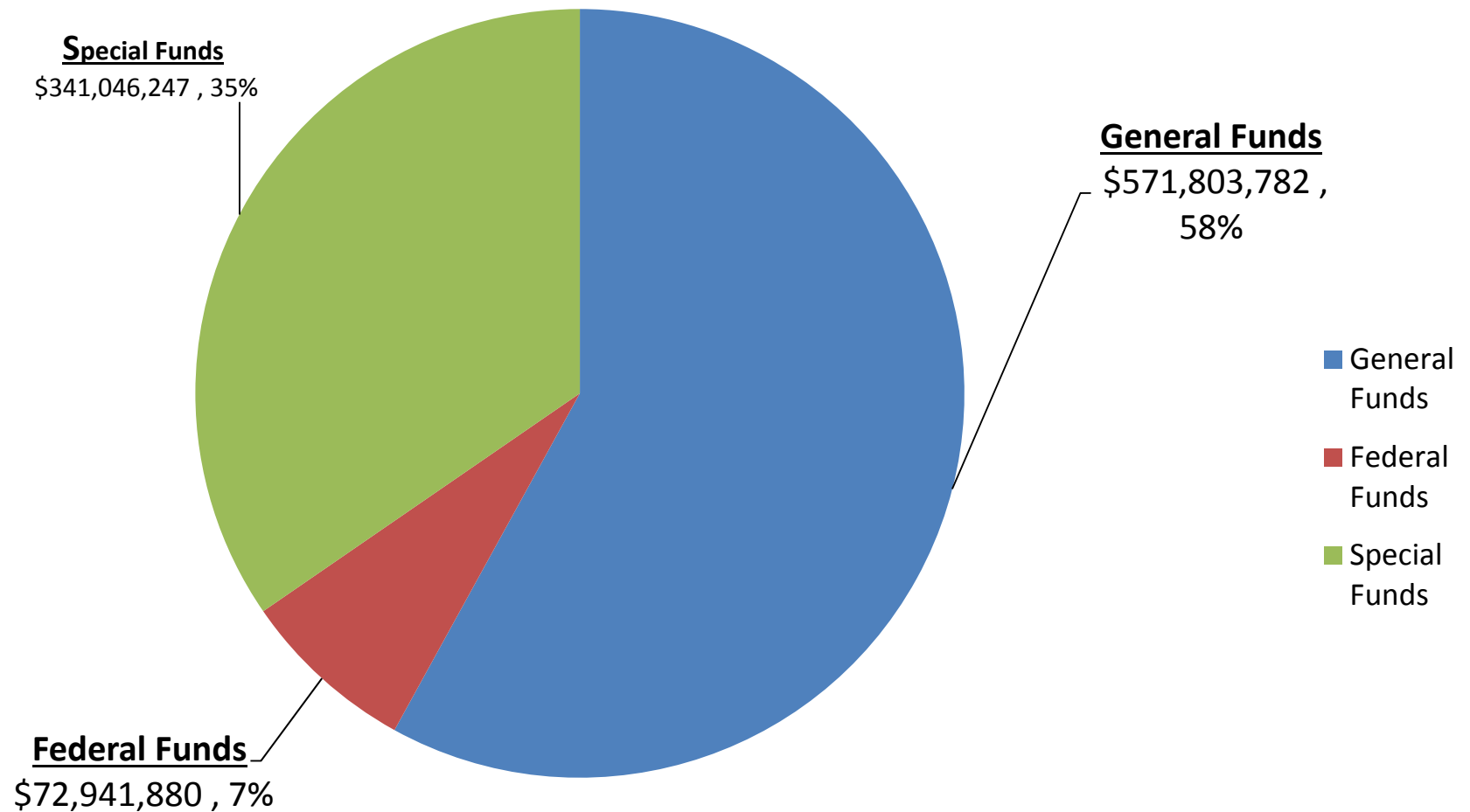
# **Impact Of Sequestration On DBHDS**

**DBHDS receives four federal grants that have been reduced by sequestration:**

- **Substance Abuse Block Grant**
- **Mental Health Block Grant**
- **Grants for Infants and Toddlers with Disabilities – Part C**
- **Projects for Assistance in Transition from Homelessness – PATH**

**Note: Block grants such as MH and SAPT awards are formula driven; therefore, DBHDS's awards may also be reduced (or increased) based on other factors (demographics) that have nothing to do with sequestration.**

# DBHDS FY 2014 Appropriations by Fund Source



FY 2014 Total Appropriations: \$985,791,909

# DBHDS Federal Sequestration Funding Reductions FFY13/SFY14

<u>Grant</u>	<u>FFY12/SFY13</u>	<u>FFY13/SFY14</u>	<u>Reduction</u>	<u>Percent</u>
Substance Abuse Block Grant	42,761,980	40,492,722	(2,269,258)	-5.31%
Mental Health Block Grant	10,863,652	10,260,781	(602,871)	-5.55%
Grants for Infants and Toddlers with Disabilities – Part C	10,434,010	10,009,360	(424,650)	-4.07%
Other/PATH	1,422,000	1,335,000	(87,000)	-6.12%
 Total DBHDS FFY13 Award Reductions primarily due to Sequestration	 65,481,642	 62,097,863	 (3,383,779)	 -5.17%

Reductions may include Award Reductions from the Federal Funding Agency in addition to Sequestration Reduction.

# Impact of Sequestration on DBHDS

- **Substance Abuse Block Grant**

- Cuts were apportioned to CSBs and DBHDS Central Office
- CSBs reduced community-based SA services. The amount cut is equal to the costs of serving 745 individuals (based on SFY12 cost figures of \$2900.19 per person/year)
- Reduced opportunities for workforce development necessary to train community professionals in most effective, cost-effective science-based treatment methods
- CSBs will likely reduce SA prevention activities, as the SA block grant is virtually the sole source for prevention activities

- **Mental Health Block Grant**

- Cuts were apportioned to CSBs, the DBHDS Central Office and non-CSB contractors for SFY 2014, and reductions were implemented by these sub-recipients
- Cuts reduced services and supports for adults with serious mental illness and family members.

- **Early Intervention – Part C**

- Sequestration reductions have been fully offset in SFY14 with prior year federal savings
- Any further sequestration reductions to the Part C federal grant will result in reductions in the amount available to the localities for services

- **PATH – Projects to Assist in Transitions from Homelessness**

- Reductions have been fully offset in SFY14 with prior year federal savings

# *Commonwealth of Virginia*

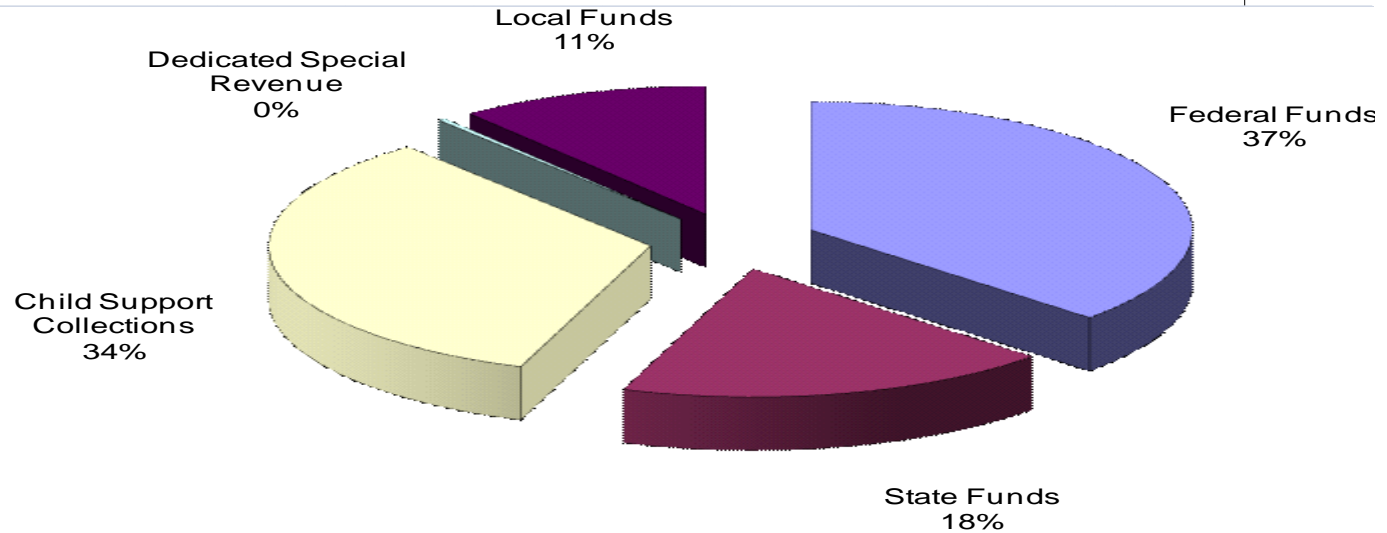
## *Department of Social Services*

**Presentation to  
HHR Subcommittee  
Senate Finance**

September 19, 2013

# Department of Social Services

## DSS Funding FY 2014



Includes total funds appropriated in Chapter 806 and local matching funds

<i>Federal Funds</i>						<i>\$771,538,942</i>
<i>State Funds</i>						<i>\$386,033,198</i>
<i>Child Support Collections</i>						<i>\$699,626,813</i>
<i>Dedicated Special Revenue</i>						<i>\$6,704,482</i>
<i>Local Funds</i>						<i>\$221,598,089</i>
<i>Total Funds</i>						<i>\$2,085,501,524</i>



# ***Department of Social Services***

## ***Federal Sequestration Reductions***

<b>PROGRAM</b>	<b>FFY 12 Award</b>	<b>FFY 13 Award</b>	<b>\$ Reduction</b>	<b>% reduction</b>
Low-Income Energy Assistance (LIHEAP)	\$ 80.5	\$ 74.8	\$ (5.7)	-7.1%
Social Services Block Grant (SSBG)	\$ 43.8	\$ 41.7	\$ (2.1)	-4.8%
Child Care Development Block Grant	\$ 43.4	\$ 41.5	\$ (1.9)	-4.4%
Community Services Block Grant	\$ 10.8	\$ 10.1	\$ (0.7)	-6.2%
Child Welfare & Prevention Srvcs (IV-B)	\$ 11.9	\$ 11.3	\$ (0.6)	-5.4%
All Other Grants (6)	\$ 10.1	\$ 9.8	\$ (0.3)	<b>-3.3%</b>
<b>TOTALS</b>	\$ 200.6	\$ 189.2	\$ (11.4)	<b>-5.7%</b>

# ***Department of Social Services***

## ***Reduction Strategy Actions***

<b>PROGRAM</b>	<b>Reduction Actions/Comments</b>
Low-Income Energy Assistance	Decrease average client assistance benefit to remain within budget
Social Services Block Grant (SSBG)	Most problematic reduction For FY 14, will back fill by transferring \$2M to SSBG from FY 13 TANF balances Must reduce LDSS allocations in FY 2015 without replacement funding
Child Care Development Block Grant	For FY 14, there are sufficient funds to meet existing caseload projections For FY 15, will need to reduce the At-Risk Child Care Subsidy program by approximately 1.5% annually
Community Services Block Grant	> 95% of funding goes to community action programs (CAPS) Only option is to reduce grants to CAPS
Child Welfare & Prevention Svcs (IV-B)	>80% goes to LDSS staff for state FC case mgmt/prevention VDSS has curtailed funding for prevention activities in LDSSs Marginal increase in foster care cases could result
All Other Grants	Domestic violence reduction (~\$107k) was also impacted by SSBG reduction

# *Commonwealth of Virginia*

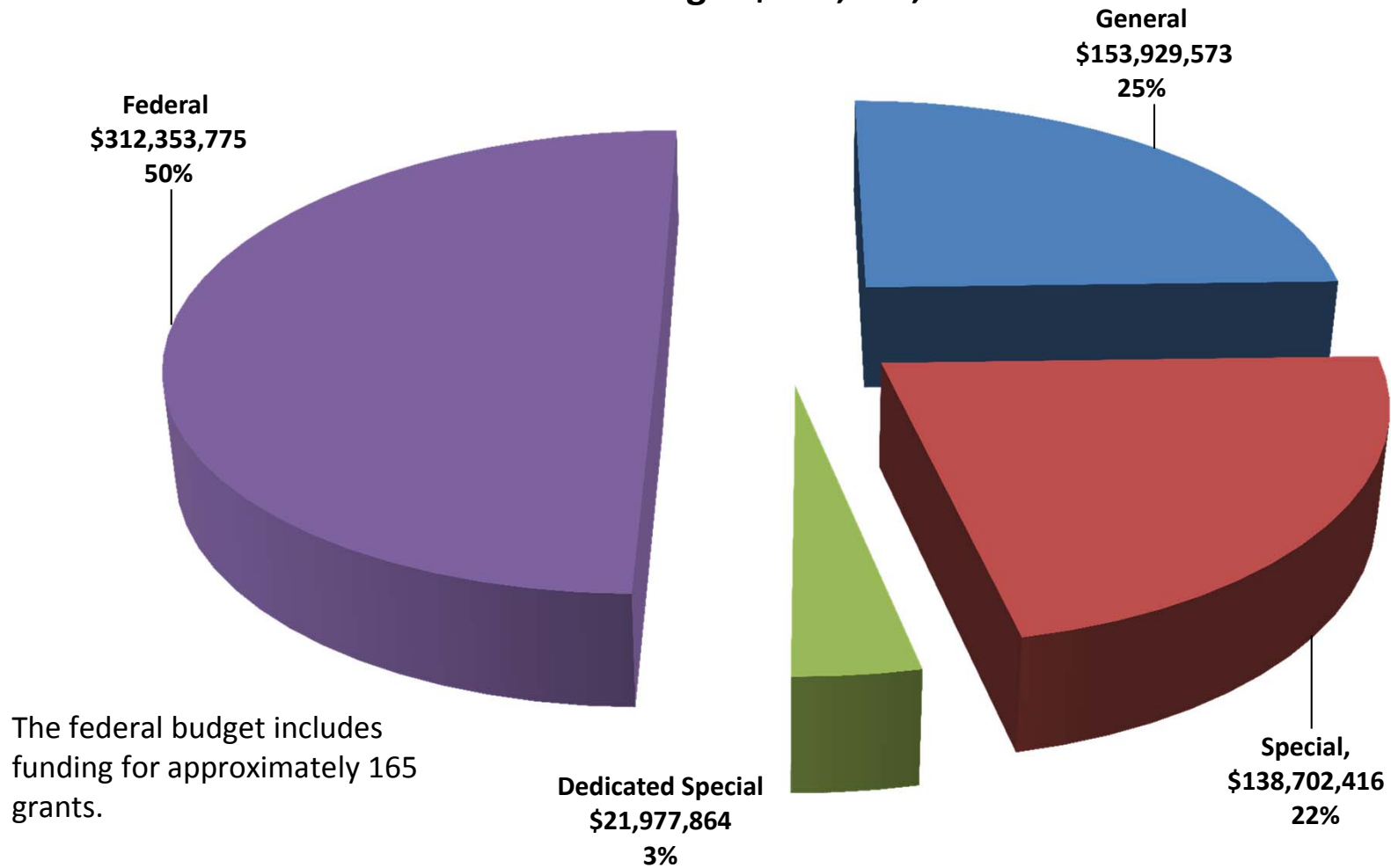
## *Virginia Department of Health*

**Presentation to  
HHR Subcommittee  
Senate Finance**

September 19, 2013

# VDH Appropriation by Fund- FY 2014

**Total Budget \$626,963,628**



## Federal Grant Reductions to Date

Grant	FFY12 Award	Reduction Amount	Latest Award	Reduction %
WIC-Supplemental Nutrition for Women, Infants & Children - Food	66,576,496	(157,553)	66,418,943	0.2%
WIC - NSA	39,493,646	(1,247,192)	38,246,454	3.1%
Ryan White Care Act Title II	27,624,679	(1,230,154)	26,394,525	4.5%
Family Planning Project (Title X)	4,517,174	(995,359)	3,521,815	22.0%
Drinking Water State Revolving Fund (DWSRF)	15,215,000	(940,000)	14,275,000	6.2%
Wisewoman	701,424	(701,424)	0	100.0%
Other grants (w/reductions less than \$500K)	2,793,128	(1,182,345)	1,610,783	
Totals	156,921,547	(6,458,584)	150,467,520	

# Sequestration Reduction Impacts

## **Wisewoman** (Well-Integrated Screening and Evaluation for Women Across the Nation):

- Grant has been eliminated
- Blood Pressure, cholesterol, and glucose screenings provided to low income, under or uninsured women between ages of 40-64
- Served 828 women in FY 2013
- Impact may be minimized as screenings are available through other providers

## **Ryan White Part B:**

- Exacerbates gap between available resources and demand for medications
- Reduction represents the cost of treatment services for approximately for 151 clients

## **WIC**

- Minimal impact as agency has grant balances to offset losses

# Sequestration Reduction Impacts

## **Family Planning (Title X):**

- Grant is used to supplement local health department funding (\$25.3M) in 34 health districts
- Represents approximately 16.8% of total agency Family Planning funding
- The program provides services to 79,064 clients annually
- It is estimated that the loss of these funds will mean that services will not be available for approximately 4,000 - 5,000 clients annually

## **Drinking Water State Revolving Fund (DWSRF):**

- It is impossible to clearly identify a specific annual impact as these construction funds are awarded for multiple years.
- These projects average approximately \$1 million each
- It is anticipated that this reduction will translate to one less project award over the three year grant period

# Department for Aging and Rehabilitative Services

Senate Finance—September 19, 2013



## Division of Rehabilitative Services By Program SF-14

<i>Program Area Budgets</i>	<i>General Funds</i>	<i>Non General Funds</i>	<i>Total</i>
Vocational Rehabilitation	9,712,045	65,393,602	75,105,647
Community Based Services	10,048,441	6,618,982	16,667,423
Disability Determination Services	1,136,250	49,560,384	50,696,634
Woodrow Wilson Rehabilitation Center	4,856,952	21,095,757	25,952,709
LTESS/EES	7,838,427		7,838,427
Administrative Cost		14,361,370	14,361,370
Adult Protective Services	1,033,682		1,033,682
Aging	17,519,163	38,296,226	55,815,389
Total Agency Budgets	52,144,960	195,326,321	247,471,281
Percentage of Total Agency Budget	21.1%	78.9%	

Division for the Aging  
Impact of Sequestration Cuts  
Total Reduction of \$2,449,035 (8.0%)

Program	2012 Allocation	2013 Allocation	Reduction In Dollars	% Reduction
Title III-B Support Services	11,678,258	10,695,499	982,759	8.4%
Title III-C(1) Congregate Meals	5,935,412	5,298,865	636,547	10.7%
Title III-C(2) Home Delivered Meals	6,142,791	5,774,699	368,092	6.0%
Title III-D Preventive Health	483,047	453,203	29,844	6.2%
Title III-E NFCSP	3,445,502	3,277,411	168,091	4.9%
Title VII Ombudsman and Elder Abuse	515,492	478,289	37,203	7.2%
NSIP- USDA	2,280,760	2,054,261	226,499	9.9%
<i>Subtotal</i>	\$30,481,262	\$28,032,227	\$2,449,035	8.0%

Division of Rehabilitative Services  
Impact of Sequestration Cuts  
*Total Reduction of \$980,170 (1.6%)*

Program	Actual Allocation 2012	Final Allocation 2013	Reduction in Dollars	% Reduction
Vocational Rehabilitation*	\$58,108,578	\$57,218,892	\$889,686	1.5%
Supported Employment	\$553,135	\$514,765	\$38,370	6.9%
Assistive Technology	\$480,472	\$450,644	\$29,828	6.2%
Independent Living	\$446,601	\$424,315	\$22,286	5.0%
Subtotal	\$59,588,786	\$58,608,616	\$980,170	1.6%

\*VR 2012 is prior to reallocation and 2013 includes COLA

## Impact of Sequestration for the Combined Agencies: DRS & Aging

Reduction of \$3,429,205 equaling  
3.8%

overall DARS reduction

# Strategies to Manage Reductions

- Our community partners are dealing with sequestration by:
  - Not filling vacant slots as they emerge
  - Cutting trips and routes
  - Reducing staffing
  - Not serving some who are accustomed to supports
  - Seeking local funds and other forms of cost sharing
  - And unfortunately tightening their belts for future Sequestration cuts

# Conclusion

## Questions?